Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Text

CONFIDENTIAL

PAGE 01 SEOUL 03694 050556Z
ACTION EB-07

INFO OCT-01 EA-07 IO-13 ISO-00 STR-04 OIC-02 COME-00
LAB-04 TRSE-00 L-03 /041 W
----------050600Z 009692 /22
P 050400Z MAY 77
FM AMEMBASSY SEOUL
TO SECSTATE WASHDC PRIORITY 3671
INFO AMEMBASSY TAIPEI PRIORITY
AMEMBASSY TOKYO PRIORITY
AMCONSUL HONG KONG
USMISSION MTN GENEVA

C O N F I D E N T I A L SEOUL 3694

EO 11652: GDS
TAGS: ETRD KS
SUBJ: NON-RUBBER FOOTWEAR CONSULTATIONS

REF: STATE 96307, SEOUL 3442

1. STR TEAM CONDUCTED DISCUSSIONS WITH ROK DELEGATION HEADED BY ASST MINISTER OF COMMERCE AND INDUSTRY (MCI) KIM SUN KIL FROM AFTERNOON MAY 2 THROUGH LATE AFTERNOON MAY 4. A FIVE-MEMBER U.S. FOOTWEAR INDUSTRY GROUP AND A FOUR-MEMBER U.S. IMPORTER/DISTRIBUTOR GROUP VISITED SEOUL CONCURRENTLY WITH THE TEAM AND DEPT WILL NO DOUBT RECEIVE REFLECTIONS OF THEIR MUTUAL RECRIMINATION.

2. TEAM BRIEFED KOREAN SIDE ON ITS MISSION AND HEARD OUT KOREAN EXPOSITION OF ITS DOMESTIC POLITICAL ENVIRONMENT AND INDUSTRY PERCEPTIONS INCLUDING POINTS NOTED PARA 4 SECOND REFTEL. ON MAY 3, TEAM INTRODUCED THE CONCEPTS WHICH THE U.S. SIDE BELIEVED SHOULD BE INCORPORATED IN AN O.M.A., AND ON MAY 4 THE LARGER PART OF A PROPOSED DRAFT WAS PRESENTED FOR STUDY BY THE ROKG. MEETINGS ADJOURNED THAT AFTERNOON WHEN MCI SAID IT COULD NOT ACCEPT A CEILING OF LESS THAN 44 MILLION PAIRS, WHICH IT CULD
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 SEOUL 03694 050556Z

EXPRESS IN TERMS OF THE 52 MILLION PAIRS ROK STATES AS ITS 1976 SHIPMENT FIGURE. KIM WAS YET WITHOUT THE DATA TO EXPLAIN THE DISPOSITION OF THE 8 MILLION PARS WHICH ROK RECORDED AS BEING SHIPPED, BUT WHICH WAS NOT RECORDED AS ARRIVING BY U.S. CUSTOMS. HOWEVER, HE STATED THAT SHOULD AGREEMENT LEVEL BE 44 MILLION, THE ROKG WOULD WISH TO REPRESENT THAT FIGURE DOMESTIC-ALLY AS 52 MILLION, THE SAME LEVEL AS 1976. KIM ALSO REJECTED

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

THE CATEGORIES SUGGESTED WHICH ARE BASEDOON FOUR VALUE LEVLES EACH BROKEN DOWN INTO ATHLETIC AND NON-ATHLETIC FOOTWEAR. HE DID NOT ACCEPT THE TEAM'S VIEW THAT OTHER CONCEPTS, SUCH AS EQUITY, FLEXIBILITY, GROWTH, WHICH COULD BE INCLUDED IN THE OMA WOULD OVERRIDE ROKG INABILITY TO ENDORSE AN AGREEEMENT BASED ON THE CUTS AND THE CATEGORIES PROPOSED BY THE U.S.

3. IN A SUBSEQUENT TALK WITH JUST THE TEAM LEADER AND EMBOFF PRESENT, KIM STATED THAT UNLESS A NUMBER "GEGINNING WITH FOUR" COULD BE OFFERED,THERE WOULD BE NO POINT IN THE TEAMS'S RETURNING TO SEOUL AFTER ITS TAIPEI CONSULTATIONS. HE RECOGNIZED THAT UNILATERAL U.S. ACTION, HOWEVER UNDESIRABLE, WOULD BE EASIER TO FACE POLITICALLY THAN FOR ROKG TO ASSOCIATE VOLUNTARILY IN SUCH A SEVERE CUTBACK. HE WISHED THE GROUP SUCCESS IN ITS TALKS WITH THE ROC WHICH HE HAD DESCRIBED AS A MATURE INDUSTRY WITH U.S. EXPORTS THREE TIMES THE SIZE OF KOREA'S. STILL LATER, AFTER CONSULTING HIS VICE-MINISTER, KIM AGREED TO THE PROPOSAL THAT THE TEAM RETURN AS SCHEDULED TO REPORT ON THE OUTCOME OF ITS DISCUSSIONS WITH GROC, AS WELL AS TO DISCUSS THE CONCEPTS AND FORM OF A DRAFT OMA WITHOUT REFERENCE TONUMBERS.

4. ENGLISH-LANGUAGE PRESS MAY 5 REPORTED THAT TALKS HAD RECESSED WITHOUT SUBSTANTIVE AGREEMENT AND OBJECTIVELY OUTLINED (A) STR PROPOSED FORMULA BASED ON SUBCATEGORIES VS. ROK DESIRE FOR A SINGLE CATEGORY OR TWO AT MOST; (B) STR PROPOSED 16 MILLION PARI CEILING VS. ROK DESIRE FOR 52 MILLIN; STR PROPOSAL OF FIVE-YEAR RESTRAINT PROGRAM VS. ROK DESIRE FOR TWO YEARS STARTING JULY 1, AND (C) US. AGREEMENTIN PRINCIPLE THAT ROK WOULD INTRODUCE A "VISA" SYSTEM (SIMILAR TO TEXTILES). REPORTS CONFIDENTIAL

CONFIDENTIAL

PAGE 03 SEOUL 03694 050556Z

NOTED TEAMWOULD RETURN MAY 8 FOR "SECOND ROUND" OF NEGOTIATIONS.

5. EMBASSY COMMENT: WE ARE UNABLE TOJUDGE WHETHER THE USE OF A 16 MILLION PAIR CEILING TO PRESS INDICATES ACTIVE OR SIMPLY PRECAUTIONARY PREPARATON TO SELL A 34 MILLION PAIR "SETTLEMENT" WITH U.S. IT IS CLEAR THAT THE NUMBERS AND CATEGORIES PROPOSED PRESENT A DELEMMA FOR THE ROKG. IT CANNOT APPEAR WILLINGLY TO ACCEPT THE SIZE AND FORMS OF THE ROLLBACK DESIRED BY U.S., YET PRECIPITATING UNILATERAL U.S. ACTION WOULD BE ABHORRENT, LESS BECAUSEOF THE POSSIBILITY THAT IT MIGHT BE LESS FOVORABLE THAN WHAT STR WOULD NEGOTIATE, BUT MORE IMPORTANTLY, BECAUSEOF THE POLITICAL DIMENSIONS IT WOULD ASSUME AT THIS TROUBLED POINT IN U.S./ROK RELATONS.
SNEIDER

CONFIDENTIAL

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

NNN

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOOTWEAR, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 05-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977SEOUL03694
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770157-0751
Format: TEL
From: SEOUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770589/aaaaczfs.tel
Line Count: 112
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 5768179a-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 STATE 96307, 77 SEOUL 3442
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 02-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2627700
Secure: OPEN
Status: NATIVE
Subject: NON-RUBBER FOOTWEAR CONSULTATIONS
TAGS: ETRD, KS, US
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/5768179a-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009